

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/4/2016	(3) CONTACT/PHONE Jeff Lee, Capital Planning Manager (805) 781-1043	
(4) SUBJECT Submittal of a bid opening report for Job Order Contract (JOC), JOC 16-1 to award an additional contract to Kinyon Construction, the second lowest responsive, responsible and eligible bidder for JOC 16-1. All Districts.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board award an additional contract for JOC 16-1 to Kinyon Construction, the second lowest responsive, responsible and eligible bidder with an Award Criteria Figure (ACF) composite adjustment factor of 0.9320.			
(6) FUNDING SOURCE(S) Budgeted Capital and Maintenance Projects	(7) CURRENT YEAR FINANCIAL IMPACT Each project separately budgeted and funded prior to award of individual job order.	(8) ANNUAL FINANCIAL IMPACT Minimum award of \$50,000 (each Contract) to a potential total award of all job orders not-to-exceed (each Contract) \$4,659,195.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 7/19/16; #10	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 16OCT04-C-5

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Jeff Lee, Capital Planning Manager

VIA: Jeff Werst, Design Division Manager

DATE: 10/4/2016

SUBJECT: Submittal of a bid opening report for Job Order Contract (JOC), JOC 16-1 to award an additional contract to Kinyon Construction, the second lowest responsive, responsible and eligible bidder for JOC 16-1. All Districts.

RECOMMENDATION

In accordance with applicable State Law, it is recommended that the Board award an additional contract for JOC 16-1 to Kinyon Construction, the second lowest responsive, responsible and eligible bidder with an Award Criteria Figure (ACF) composite adjustment factor of 0.9320.

DISCUSSION

In accordance with direction from your Board, bids for the JOC 16-1 and JOC 16-2 were opened on Thursday, June 16, 2016.

Eight bids were received for each contract. They are as follows:

2016 Job Order Contract JOC 16-1					
Contractor's Name	Factors for Projects Less than \$25,000		Factors for Projects \$25,000 or Greater		Composite Weighted Adjustment Factor
	Normal Working Hours	Other than Normal Working Hours	Normal Working Hours	Other than Normal Working Hours	
California Averland Construction	0.9045	0.9224	0.8955	0.9134	0.9018
JG Contracting	0.9045	0.9045	0.9045	0.9045	0.9045
Kinyon Construction, Inc.	0.9300	0.9300	0.9300	0.9400	0.9320
R. Burke Corporation	0.9500	0.9500	0.9500	0.9500	0.9500
Newton Construction and Management	0.9575	0.9855	0.9435	0.9625	0.9515
R.F. Koerber, Inc.	0.9900	1.0000	0.9800	0.9900	0.9845
RK and G Construction, Inc.	1.1500	1.1800	1.1500	1.2000	1.1615

2016 Job Order Contract JOC 16-2

Contractor's Name	Factors for Projects Less than \$25,000		Factors for Projects \$25,000 or Greater		Composite Weighted Adjustment Factor
	Normal Working Hours	Other than Normal Working Hours	Normal Working Hours	Other than Normal Working Hours	
California Averland Construction	0.9045	0.9224	0.8955	0.9134	0.9018
JG Contracting	0.9045	0.9045	0.9045	0.9045	0.9045
R. Burke Corporation	0.9294	0.9294	0.9294	0.9294	0.9294
Kinyon Construction, Inc.	0.9300	0.9300	0.9300	0.9360	0.9312
RK and G Construction, Inc.	0.9300	0.9300	0.9300	0.9550	0.9350
Newton Construction and Management	0.9475	0.9655	0.9435	0.9550	0.9475
R.F. Koerber, Inc.	0.9700	0.9800	0.9600	0.9700	0.9645

As stipulated in the "Invitation to Bidders" section of the Contract Documents, bidders were allowed to bid separately on any or all of the contracts, although only one contract may be awarded to any bidder, and the apparent lowest responsive and responsible bidder was to be determined sequentially for each contract in the following order: JOC 16-1; JOC 16-2. Therefore, while California Averland Construction, Inc. was the apparent lowest responsive and responsible bidder for both the JOC 16-1 and JOC 16-2 contracts, they were excluded from consideration for the JOC 16-2 contract. JG Contracting was therefore the lowest responsive, responsible bidder eligible for award of the JOC 16-2 contract.

In consideration of this, at the July 19, 2016 Board meeting, your Board awarded the JOC 16-1 contract to California Averland Construction, Inc., and the JOC 16-2 contract to JG Contracting. However, as stipulated in Section 7.02 of the Instructions to Bidders: "The Owner reserves the right to award additional contracts under this solicitation for a period of one hundred twenty (120) days following the opening of bids. The award of subsequent contracts under this solicitation could be required if the original contractor was failing to perform within the expectations of the Owner."

The County has begun to work with the JOC contractors, California Averland (JOC 16-1) and JG Contracting (JOC 16-2). Initial discussions with California Averland have resulted in lengthy communications and inflated cost proposals for the County to review. The length of time necessary to review and approve a JOC proposal reduces staff's ability to work on other projects and increases the potential impacts to County departments. Concerns about the ability of California Averland, the JOC 16-1 contractor, to respond and perform in an efficient and timely fashion are cause for concern due to the level of project funding and the work program approved by the Board.

As stipulated in Section 7.02 of the Instructions to Bidders, California Averland is guaranteed to receive the opportunity to perform Job Orders totaling at least \$50,000 during the Contract period. However, based on the almost \$3.5 million in FY 16-17 projects and well over \$2 million in on-going multi-year projects, it would be beneficial for Public Works to have a third JOC contractor available in the event California Averland (JOC 16-1) does not perform.

JG Contracting was the second low bidder for both the JOC 16-1 and JOC 16-2 contracts, and since they were awarded JOC 16-2, they would be ineligible for award of the second JOC 16-1 contract. Kinyon Construction, Inc. was third lowest bidder for JOC 16-1 and would therefore be eligible for

award of the additional contract stipulated in Section 7.02 of the Instructions to Bidders. Kinyon Construction, Inc. is familiar with the County's eGordian procedures and has met or exceeded project delivery expectations in past performance as one of the 2015 JOC contractors. It is therefore staff's recommendation that an additional contract for JOC 16-1 be awarded to Kinyon Construction, the second lowest responsive, responsible and eligible bidder for JOC 16-1.

Project Background Information

A JOC is an annual, competitively bid, firm fixed price contract instrument that the County has used since 2000 to complete countywide maintenance and repair projects. JOC utilizes unit pricing to reduce the level of effort for engineering, design, and contract procurement time. While the unit pricing method of the JOC contract encompasses a wide variety of renovation and repair, individual job orders are issued for a specific scope of work.

For 16 years, JOC has provided a contracting method that expedites processing time for maintenance and repair projects. The new JOC contracts will provide the County the opportunity to offer this cost effective and timely project delivery method without interruption through June 2017.

The JOC program significantly reduces the time and expense of the common design/bid/build process utilized for many construction projects. It is a procurement program that enables the County to accomplish a large number of small and medium-sized, maintenance and renovation projects with a single, competitively bid construction services contract. The major advantages of JOC include:

- fast and timely delivery of projects;
- low overhead cost of construction procurement and delivery;
- development of a partner relationship based on work performance;
- reduced legal fees;
- minimization of change orders;
- standard pricing and specification utilizing a published Construction Task Catalog resulting in efficient and effective estimating, design, and fixed price construction.

OTHER AGENCY INVOLVEMENT/IMPACT

The Planning and Building Department reviews and issues building permits for all applicable projects within the Capital and Maintenance Project Programs.

FINANCIAL CONSIDERATIONS

JOC contracts do not encumber funding; only when individual job orders are issued will cost be defined. All construction funding for JOC will be made from Board approved and appropriated Facility Capital and Maintenance project budgets. There are no budget adjustments necessary for the action requested.

The California Public Contract Code Section 20128.5 allows a maximum annual dollar amount for each contract to be \$4,659,195. The maximum contract value does not commit the County to issue job orders for the full amount, but it gives the County the flexibility to do so if in the best interest of the County. Typically, the County has averaged \$1-2 million under JOC annually.

From FY 00-01 through FY 15-16, the County awarded 636 job orders for a total construction cost of \$27,700,190.

RESULTS

The immediate result of approval by the Board of the recommended action will be continued use of the JOC project delivery program allowing Public Works to deliver construction projects in a timely and cost effective manner, necessary to accommodate the facility needs of County departments and the public, thus providing a well governed community.

File: CF 160.50.01 (new) Job Order Contract (annual)

Reference: 16OCT04-C-5

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